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Enron's Skilling Cites Stock-Price Plunge As Main  
Reason for Leaving CEO Post

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Jeffrey K. Skilling said that the pressure he felt from Enron Corp.'s plummeting stock price was the main reason he decided to resign Tuesday as the energy giant's chief executive officer after only about six months in the job.

In an interview yesterday, the 47-year-old Mr. Skilling elaborated on his decision to leave Houston-based Enron. On Tuesday, Mr. Skilling insisted he had resigned for "personal reasons" unrelated to Enron's business activities.

In the interview, he reiterated that he wasn't under any pressure to resign from the company's board or Chairman Kenneth Lay, who has resumed the CEO's duties at the nation's biggest energy trader.

However, yesterday Mr. Skilling said that his "personal reasons" were deeply enmeshed with feelings that he had failed in a crucial business area during his brief tenure as CEO. Calling the company's stock performance a "kind of ultimate score card," Mr. Skilling noted that Enron's share price had fallen by some 50% this year.

Mr. Skilling said he took that stock-price drop very personally. "I put a lot of pressure on myself" for that decline, he said. "I felt I must not be communicating well enough" with investors. He felt this particularly given Enron's strong financial results over the past several quarters, based largely on growing volumes in its trading business, which covers a range of items, including electricity, pulp and paper.

If the stock price had remained up "I don't think I would have felt the pressure to leave," he said.

In January, Enron topped \$84 a share in New York Stock Exchange composite trading. It closed Tuesday, before the announcement of Mr. Skilling's resignation, at \$42.93 a share. As of 4 p.m. yesterday, Enron traded at \$40.25, after falling below \$37 during the day.

Mr. Skilling, who had been at Enron 11 years, said the depressed stock price was particularly tough to explain to fellow Enron employees, many of whom are shareholders. "People would say 'What is going on with the stock, Jeff?' I would have to say I didn't know. It has been frustrating," said Mr. Skilling.

The self-portrait offered by Mr. Skilling in the interview is rather different from the widely held image of him as an ambitious, bright and thick-skinned business strategist whose long-held goal had been becoming Enron CEO. Mr. Skilling said that the "final straw" in his decision to leave had come on a visit last week to England in connection with the deaths of three Enron workers in a power-plant accident there. That trip helped reinforce "how tenuous life is," said Mr. Skilling, who has three children from a previous marriage and recently became engaged.

While Mr. Skilling said Enron is in "great shape," his departure raised anxiety in the investment community. Merrill Lynch, for instance, lowered its rating on Enron to neutral from buy based on "uncertainty" created by the resignation.

Yesterday, an Enron spokesman confirmed that Mr. Lay plans to name two executives to the existing "office of the chairman" within the next few days or weeks. The spokesman said Mr. Lay hadn't yet revealed whom the two would be. The office of the chairman had consisted of Mr. Lay and Mr. Skilling.

---- INDEX REFERENCES ----

COMPANY (TICKER): Enron Corp. (ENE)

NEWS SUBJECT: Analysts' Comments & Ratings of Stocks; Analyst Comment/Recommendation; Corporate Actions; Corporate/Industrial News; Corporate Officers; Management Moves; Personnel Announcements; Stock News; Dow Jones Total Market Index; Wall Street Journal; English language content; Earnings Projections; Performance; Management Issues (ANL C1521 CAC CCAT COF C411 PER STK WEI WSJ ENGL C152 C15 C41)

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